

Public Act 95-616 (“Iran Act”)

Annual Report

January 1, 2015

Illinois State Board of Investment

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Introduction

On January 1, 2008, Public Act 95-616 (the “Act”) took effect. The Act imposes investment restrictions on retirement systems governed by Article 1 of the Illinois Pension Code. Specifically, new Section 5/1-110.10 of the Illinois Pension Code limits the investment of retirement system assets in certain companies with ties to the Government of Iran and its oil-related and mineral-extraction business sectors.

With respect to actions taken in compliance with the Act, including good faith determinations regarding companies as prescribed by the Act, the Illinois State Board of Investment (the “Board”) is exempt from any conflicting statutory or common law obligations, including any fiduciary duties under Article 1 and any obligations with respect to choice of asset managers, investment funds, or investments for the Board’s securities portfolios. (40 ILCS 5/1-110.10(j)). The Board has developed the Iran Divestment Policy to serve as a guide for implementation of the Act’s specific requirements. This Policy is attached as Exhibit A.

In accordance with the Act, the Board is required to file this annual report with the Public Pension Division, which shall be made available to the public and includes the following:

1. A list of scrutinized companies that have active business operations in Iran.
2. A summary of correspondence between the Board and scrutinized companies.
3. A summary of all investments sold, redeemed, divested, or withdrawn as a result of scrutinized companies continuing to have scrutinized active business operations.
4. A summary of correspondence with private market funds with scrutinized active business operations.

The Board's Scrutinized Companies Identification Methodology

The Board took the following actions to identify all scrutinized companies:

1. Following the Act's passage, Staff contacted the Florida State Board of Administration ("FSBA") to assess how the FSBA responded to the Protecting Florida's Investments Act, an act that restricts the FSBA's investments in scrutinized companies with ties to Sudan and Iran, and reviewed the FSBA's quarterly report, which includes a list of scrutinized companies and details the methodology for FSBA's compliance with the Florida Act.
2. Staff contacted other Illinois state public funds to exchange ideas and receive feedback regarding compilation of the list of scrutinized companies.
3. Staff contacted the American Israel Public Affairs Committee ("AIPAC") to obtain AIPAC's list of companies investing in Iran's energy sector and to discuss the methodology associated with compiling the list of scrutinized companies.
4. Staff contacted Risk Metrics Group ("RMG"), Conflict Securities Advisory Group and Corporate Library, all independent research firms, to request detailed information regarding how the firms could (i) identify scrutinized companies (by tracking the definition of scrutinized company in the Act) and (ii) identify which scrutinized companies have active or inactive business operations. RMG and Conflict Securities Advisory Group submitted proposals to provide the list of scrutinized companies.
5. After evaluation of all resources, the Board chose to retain RMG to provide the list of scrutinized companies.
6. At its July 2009 Board Meeting, the Board authorized Staff to issue a request for competitive proposal ("RFP") for proxy voting advisory and related socially responsible investment ("SRI") services. SRI services include providing the Board with its list of scrutinized companies. Staff carefully reviewed the proposals for content, quality and compliance with proposal document requirements. On December 18, 2009, the Board approved to maintain RMG for proxy voting advisory and related SRI services. RMG's experience and expertise satisfied the scope of work requirements outlined in the RFP and the firm's fee proposal was the most cost effective in relation to the services being provided. On June 1, 2010, RMG was acquired by MSCI Inc. ("MSCI"), a leading global provider of investment decision support tools, including indices and portfolio risk and performance analytics.
- 7. On January 17, 2014, the Board issued an RFP for proxy voting and/or SRI advisory services. As a result of the RFP, on June 27, 2014, the Board voted to retain IW Financial for its SRI services, replacing MSCI. IW Financial is a leading provider of SRI research, consulting and portfolio management solutions; the firm

provides custom Sudan and Iran data feeds to several of the largest U.S. public pension funds and was the most competitively priced option.

On July 11, 2008, the Board adopted an official list of scrutinized companies in accordance with the Act and the Board's Iran Divestment Policy. In accordance with the Act, the Board has continued to review the list on an annual basis. At its meeting on September 26, 2014, the Board adopted the list set forth in Table 1. Given the change in providers, the list differs greatly from the previous year and includes the deletion of the following companies:

Deleted Companies:

BP AMI LEASING, INC.	No direct involvement; corporate family tie only
BP Capital Markets PLC	No direct involvement; corporate family tie only
China BlueChemical Ltd	No direct involvement; corporate family tie only
China Communications Construction Company Limited	Involvement does not meet criteria for inclusion on the list
CNOOC Finance (2003) Limited	No direct involvement; corporate family tie only
CNOOC Finance (2011) Limited	No direct involvement; corporate family tie only
CNOOC Finance (2012) Limited	No direct involvement; corporate family tie only
CNOOC Ltd	No direct involvement; corporate family tie only
COSL Finance (BVI) Limited	No direct involvement; corporate family tie only
Daqing Huake Company Limited	No direct involvement; corporate family tie only
I Metal Technology Co., Ltd.	No direct involvement; corporate family tie only
Jinan Diesel Engine Company Limited	No direct involvement; corporate family tie only
LANKA IOC PLC	No direct involvement; corporate family tie only
MISC Berhad	Involvement does not meet criteria for inclusion on the list
MISC Capital Ltd.	No direct involvement; corporate family tie only
NIPPO CORPORATION	No direct involvement; corporate family tie only
OAO "Gazprom neft "	Past involvement
OAO "Gazprom"	Involvement does not meet criteria for inclusion on the list
OAO energetiki i elektrifikatsii	No direct involvement; corporate family tie

"Mosenergo"	only
PETRONAS Capital Limited	No direct involvement; corporate family tie only
PETRONAS CHEMICALS GROUP BERHAD	No direct involvement; corporate family tie only
Petronas Dagangan Bhd	No direct involvement; corporate family tie only
Petronas Gas Berhad	No direct involvement; corporate family tie only
Petrovietnam Drilling & Well Services Corporation	No direct involvement; corporate family tie only
Petrovietnam Fertilizer and Chemicals Corporation	No direct involvement; corporate family tie only
Petrovietnam Finance Joint Stock Corporation	No direct involvement; corporate family tie only
Petrovietnam Technical Services Corporation	No direct involvement; corporate family tie only
Petrovietnam Transportation Corporation	No direct involvement; corporate family tie only
Shanghai Zhenhua Heavy Industry Co.,Ltd	Past involvement

Similarly, the list provided by IW Financial includes the addition of fifty companies:

Added Companies:

Abadan Petrochemical Co.
 Aban Offshore Ltd.
 Agiba Petroleum Co.
 Alumtek Corp.
 Arabian Pipes Co
 Arvandan Oil & Gas
 Azarab Industries
 Belarusneft
 Bharat Petroleum Corporation Ltd.
 Bureau Veritas
 Chadormalu Mineral & Ind. Co.
 China Nonferrous Metal Industry's Foreign Eng. And Const. Co.
 Cosmo Oil Company Ltd
 Dragon Oil Plc
 Engineers India Ltd.
 Esfahan Oil Refining Co.
 Esfahan's Mobarakeh Steel Company
 Essar Oil Ltd.
 Exmar SA
 Farabi Petrochemical Co.
 Gail (India) Ltd.

Ghadir Investment Co.
Glencore plc
Gol-E-Gohar Iron Ore Co.
Hindustan Petroleum Corporation Ltd.
Idemitsu Kosan Co.Ltd
Indian Oil Corporation Ltd.
Iran Aluminium Co.
Iran National Copper Industries
Kanematsu Corporation
Khorasan Steel Complex Co.
Khouzestan Steel Co
Kingdream Public Ltd. Co.
Mitsubishi Corporation
Mitsui & Co. Ltd
National Aluminium Co. Ltd.
National Iranian Oil Co.
National Iranian South Oil Co.
North Drilling
Petrochemical Transport Co.
PTT Public Company Limited
Sadid Pipe & Equipments Co.
Samir
Sepehr Energy
Shahed Investment Co.
Siam Cement
SK Networks Co. Ltd.
Stroytransgaz OAO
Total S.A.
Tupras Turkiye Petrol Rafinerileri AS

Table 1: The Board's List of Scrutinized Companies (Prohibited Investments)

Abadan Petrochemical Co.
Aban Offshore Ltd.
Agiba Petroleum Co.
Alumtek Corp.
Arabian Pipes Co
Arvandan Oil & Gas
Azarab Industries
Belarusneft
Bharat Petroleum Corporation Ltd.
Bureau Veritas
Chadormalu Mineral & Ind. Co.
China National Petroleum Corp. (CNPC)
China Nonferrous Metal Industry's Foreign Eng. And Const. Co.
Ltd.
China Oilfield Services
China Petroleum & Chemical Corp
Cosmo Oil Company Ltd
Daelim Industrial
Dragon Oil Plc
Engineers India Ltd.
Esfahan Oil Refining Co.
Esfahan's Mobarakeh Steel Company
Essar Oil Ltd.
Farabi Petrochemical Co.
Gail (India) Ltd.
Ghadir Investment Co.
Glencore plc
Gol-E-Gohar Iron Ore Co.
Hindustan Petroleum Corporation Ltd.
Hyundai Heavy Industries
Idemitsu Kosan Co.Ltd
Indian Oil Corporation Ltd.
Iran Aluminium Co.
Iran National Copper Industries
Kanematsu Corporation
Khorasan Steel Complex Co.
Khouzestan Steel Co
Kingdream Public Ltd. Co.
Maire Tecnimont S.p.A.
Mangalore Refinery & Petrochemicals Ltd.

Mitsubishi Corporation
Mitsui & Co. Ltd
National Aluminium Co. Ltd.
National Iranian Oil Co.
National Iranian South Oil Co.
North Drilling
Oil & Natural Gas Corporation Ltd.
Outotec Oyj
Petrochemical Transport Co.
PetroChina Co. Ltd.
Sadid Pipe & Equipments Co.
Samir
Sepehr Energy
Shahed Investment Co.
Siam Cement
SK Networks Co. Ltd.
Stroytransgaz OAO
Total S.A.
Tupras Turkiye Petrol Rafinerileri AS

Summary of Correspondence with Scrutinized Companies

In accordance with Section 1-110.10 of the Act, the Board determined the companies on the scrutinized companies list in which the Board owns direct or indirect holdings.

The Board did not have investments in scrutinized companies with inactive business operations.

On November 20, 2014, the Board, in accordance with the Act, sent a letter to each newly identified scrutinized company identified as having active business operations in Iran. The letter informed the companies of their scrutinized company status and that they may become subject to divestment by the Board. Furthermore, the letter informed the scrutinized companies of the opportunity to clarify their Iran-related activities and encouraged the scrutinized companies, within 90 days, to cease their scrutinized business operations or convert such operations to inactive business operations in order to avoid qualifying for divestment by the Board.

For any company that has responded to the Board's notification of the company's placement on the list of scrutinized companies, the company's response and classification status is summarized below. For all other companies, no response was submitted to the Board as of the date of this report. The newly identified scrutinized companies have until February 20, 2015 to respond in compliance with the Act. If a response warrants a revision to the list, the Board will adopt a revised list at its regularly scheduled meeting in March and will submit such adopted list to its investment advisers.

Table 2: Summary of Responses from Scrutinized Companies

Company	Response	Status
PTT Public Company Limited	According to the company, the group of companies suspended and ceased business and operation since 2011. The company provided evidence that it no longer has any investment in Iran.	As a result of a review of the evidence by Staff and IW Financial, the company will be removed from the list.
Exmar	According to the company, it no longer has involvement with Iran. The company provided evidence to that effect.	As a result of a review of the evidence by Staff and IW Financial, the company will be removed from the list.

Summary of Correspondence with Private Market Funds

With respect to indirect holdings in scrutinized companies, the Board, in accordance with the Act, sent a letter to the managers of the private market funds within the Board's portfolio that contain scrutinized companies with active business operations. This letter, sent on November 25, 2014, requested the manager to either (i) consider removing the scrutinized companies from the fund or (ii) create a similar actively managed fund having indirect holdings devoid of the scrutinized companies. The letter also requested feedback on the Board's request. Letters of this nature were sent to the following private market funds: Entrust Partners, LLC ("Entrust"), Mesirow Advanced Strategies ("Mesirow") and the Rock Creek Group ("Rock Creek"). In the event that the manager creates a similar fund, the Board shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards.

Each private market fund's response is summarized below.

Entrust advised the Board that one of its underlying funds holds a de minimis position in a scrutinized company. Nonetheless, Entrust does not advise that the Board divest itself of any investments held in its separately managed account which is advised by Entrust. Where Entrust has identified an underlying hedge fund investment which the Board owns which has invested in a scrutinized company, the holding is an indirect holding and the position size and dollar amount represented by the position is immaterial in relation to the total investment made by the Board with this entity. The majority of the security positions held in these funds are in compliance, the investments are sound investments for the Board and therefore Entrust does not recommend that the Board redeem its investments solely on this basis.

Mesirow advised the Board that it was unable to accommodate either of the aforementioned options. According to Mesirow, the underlying hedge fund managers will not agree to be restricted from having holdings in securities of scrutinized companies; these restrictions

would have the effect of limiting the exposure of every other investor in an underlying hedge fund manager's fund.

Rock Creek advised the Board that it was unable to accommodate either of the aforementioned options. Rock Creek has investments with three managers that have indirect holdings in scrutinized companies with the total weight exposure amounting to .050% of the Board's portfolio. Rock Creek explained that hedge fund managers actively trade their positions and managers with exposure to a scrutinized company in one period may not have a similar exposure in the next period. At the same time, managers without any exposure to a scrutinized company in one period may very well have such exposure in a subsequent period. According to Rock Creek, the sizes of the Board's individual hedge fund investments are too small to justify separate accounts and as such the Board's investments with these managers are through commingled hedge fund vehicles. Moreover, it would be difficult to get these managers to incorporate suitable guidelines in their commingled funds to exclude investments in scrutinized companies. Rock Creek has agreed to continue to monitor the exposure of underlying managers to scrutinized companies and will reduce allocations at the earliest possible date if the exposure is significant.

Summary of Investments Sold, Redeemed, Divested, or Withdrawn

On July 11, 2008, the Board sent letters to all external investment managers notifying them of the Act and informing them of the newly adopted list of scrutinized companies.

Beginning in November 2008, the Board informed all affected managers to sell, redeem, divest, or withdraw all publicly traded securities of active scrutinized companies no later than July 11, 2009. The scrutinized companies affected by this direction failed to convert their active scrutinized business operations to inactive.

Specifically, the Board sent letters to Templeton Investment Counsel (Account # NHEB), Fort Washington (NHFS), State Street Global Advisors- ACWI (NHHJ), State Street Global Advisors- EAFE (NHHI), and Vontobel Asset Management (NHHP), stating that the Board must divest itself of all holdings of any scrutinized companies within 12 months of the companies' original appearance on the prohibited investment list. Therefore, complete divestitures of scrutinized companies (on the original July 11, 2008 list) must be made no later than July 11, 2009. The letters sent to these affected managers also requested that the managers provide the Board with all specific transaction details, including the date of the transaction, the number of shares, total share value and the amount of gain or loss.

Since July 11, 2008, there has been no increase in holdings of scrutinized companies. External managers are contractually responsible for administering investments in accordance with the investment manager guidelines and restrictions set forth by the Board, including the prohibited investments list of the Act.

As of July 11, 2014, ISBI has incurred a loss of \$201,653.50 due to Iran divestments; which includes a loss of \$545,596.19 between July 12, 2013 and July 11, 2014. The total amount divested since July 11, 2009 is \$7,084,611.59; which includes the divestment amount of \$3,327,568.94 between July 12, 2013 and July 11, 2014.

The table below presents a summary of all sales of all scrutinized companies between July 12, 2013 and July 11, 2014.

Table 3: Summary of Sales of all Prohibited Investments

Transaction Type	Fund	Security Name	Share/Par Value	Base Security Gain/Loss
SELL	NHHJ	BP PLC	194,461.00	(320,723.67)
SELL	NHHJ	BP PLS	81,319.00	(124,023.70)
SELL	NHHJ	BP PLC	76,507.00	(111,765.64)
SELL	NHIL	BP PLC	76,507.00	10,916.82

Exhibit A

IMPLEMENTATION OF PUBLIC ACT 95-616

IRAN DIVESTMENT POLICY

Public Act 95-616 (Act) imposes investment restrictions on retirement systems governed by Article 1 of the Illinois Pension Code. Specifically, new Section 5/1-110.10 of the Illinois Pension Code limits the investment of retirement system assets in certain companies with ties to the Government of Iran and its oil-related and mineral-extraction business sectors.

With respect to actions taken in compliance with the Act, including good faith determinations regarding companies as prescribed by the Act, the Board is exempt from any conflicting statutory or common law obligations, including any fiduciary duties under Article 1 and any obligations with respect to choice of asset managers, investment funds, or investments for the Board's securities portfolios. (40 ILCS 5/1-110.10(j)).

This Iran Divestment Policy shall serve as a guide for implementation of the Act's specific requirements.

In accordance with the Act, the following actions shall be taken:

I. The Board shall use best efforts to identify all *scrutinized companies* in which it has *direct holdings* or *indirect holdings* by March 30, 2008 (90 days after January 1, 2008, the effective date of the Act). In order to identify the *scrutinized companies*, the Board has discretion to use any of the following efforts: A) reviewing and relying on publicly available information regarding *companies* having *business operations* in Iran, including information provided by nonprofit organizations, research firms, international organizations, and government entities; B) contacting asset managers contracted by the Board that invest in *companies* having *business operations* in Iran; C) contacting other institutional investors that have divested from or engaged with *companies* that have *business operations* in Iran; or D) retaining an independent research firm to identify *scrutinized companies* in which the Board has *direct* or *indirect holdings*.

II. The Board shall assemble and adopt an official list of *scrutinized companies* at the June 2008 Board Meeting. The Board shall file the *scrutinized companies* list with the Public Pension Division (Division) of the Department of Financial and Professional Regulation within 30 days of its adoption. The Division shall make the Board's *scrutinized companies* list available to the public. Staff shall supplement the *scrutinized companies* list on an annual basis.

III. In respect of *companies* on the *scrutinized companies* list, the Board shall adhere to the following procedures:

A) The Board must determine which *companies* on the *scrutinized companies* list are *direct* or *indirect holdings*;

B) In respect of a *scrutinized company* with *inactive business operations*, the Board, on a semi-annual basis, must send a written notice informing the *company* of the Act and encouraging the *company* to refrain from initiating *active business operations* in Iran until it is able

to avoid *scrutinized business operations*. This requirement applies to *companies* that are *direct* and *indirect holdings*.

C) In respect of a *scrutinized company* that has *active business operations*, the Board shall send a written notice informing the *company* that it is considered a *scrutinized company* under the Act and that it may become subject to divestment by the Board, due to such status. Further, the notice shall inform the *company* of its opportunity to clarify its Iran-related activities and encourage the *company*, within 90 days, to cease its *scrutinized business operations* or convert such operations to *inactive business operations*, in order to avoid qualifying for divestment by the Board.

1) If the *company* ceases *scrutinized business operations* within 90 days of the Board's first engagement, the Board shall remove the *company* from the *scrutinized companies* list.

2) If the *company* converts its active *scrutinized business operations* to *inactive business operations* within 90 days of the Board's first engagement, the *company* shall receive letters from the Board, as described above in III (B).

3) If the *company* continues to have active *scrutinized business operations* following the 90 day period, the Board shall sell, redeem, divest or withdraw all publicly traded securities of the *company* within 12 months after the *company's* most recent appearance on the *scrutinized companies* list. This requirement does not apply to *indirect holdings* in a *private market fund*. Please note that *companies* that the U.S. Government affirmatively declares are excluded from present and future federal sanctions relating to Iran are not subject to divestment.

IV. Subsequent to the Board's adoption of the *scrutinized companies* list, the Board shall not acquire securities of *companies* on the *scrutinized companies* list that have *active business operations*. This requirement does not apply to *indirect holdings* in a *private market fund*. However, please note that the Board may acquire a *company* that the U.S. Government has affirmatively declared to be excluded from its present or any future federal sanctions relating to Iran. Staff will arrange for the Board's investment managers to have access to the *scrutinized companies* list and provide this Iran Divestment Policy to guide the investment managers' investment of fund assets. If the Board purchases the *scrutinized companies* list from an independent research provider, each of the Board's investment managers will reimburse the Board for their pro rata share of the list's cost.

V. In respect of the Board's *indirect holdings* in *scrutinized companies* with *active business operations* existing within the Board's *private market funds*, the Board shall submit letters to the general partners of the applicable *private market funds*, requesting that the general partner consider removing the *companies* from the fund or create a similar actively managed fund having *indirect holdings* devoid of the *companies*. If the general partner creates such a fund, the Board shall replace all applicable investments with investments in the similar fund in an expedited time frame consistent with prudent investment standards.

VI. The Board shall file an annual report with the Division, which shall be made available to the public, discussing the following information: A) a summary of correspondence with *scrutinized companies* engaged by the Board; B) all investments sold,

redeemed, divested or withdrawn in compliance with the Act; C) all prohibited investments (*companies* on the *scrutinized company* list that have *active business operations*); and D) a summary of correspondence with *private market funds*.

VII. The Board may cease divesting from *scrutinized companies* or reinvest in *scrutinized companies*, if clear and convincing evidence shows that the value of investments in *scrutinized companies* with active *scrutinized business operations* becomes equal to or less than 0.5 % of the market value of all assets under management by the Board. If the Board decides to cease divestment, reinvest, or remain invested in *companies* having active *scrutinized business operations*, the Board must provide a written report to the Division in advance of the action and update the report semiannually thereafter, identifying the reasons and justification (supported by clear and convincing evidence) for the Board's decision to cease divestment, reinvest, or remain invested in the applicable *companies*.

This Iran Divestment Policy shall expire upon the occurrence of any of the following events: A) the U.S. revoking all sanctions imposed against the Government of Iran; B) the Congress or President declaring that the Government of Iran has ceased to acquire weapons of mass destruction and has ceased to support international terrorism; or C) the Congress or the President declaring that mandatory divestment of the type provided for in the Act interferes with the conduct of U.S. foreign policy.

ADOPTED: December 14, 2007

DEFINITIONS:

"*Active business operations*" means all *business operations* that are not *inactive business operations*.

"*Business operations*" means engaging in commerce in any form in Iran, including, but not limited to, acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

"*Company*" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations, that exists for the purpose of making profit.

"*Direct holdings*" in a *company* means all securities of that

company that are held directly by the *retirement system* or in an account or fund in which the *retirement system* owns all shares or interests.

"*Inactive business operations*" means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for that purpose.

"*Indirect holdings*" in a *company* means all securities of that *company* which are held in an account or fund, such as a mutual fund, managed by one or more persons not employed by the *retirement system*, in which the *retirement system* owns shares or interests together with other investors not subject to the provisions of this Section.

"*Mineral-extraction activities*" include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides (ore), including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc.

"*Oil-related activities*" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; and constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure. The mere retail sale of gasoline and related consumer products is not considered an oil-related activity.

"*Petroleum resources*" means petroleum, petroleum byproducts, or natural gas.

"*Private market fund*" means any private equity fund, private equity fund of funds, venture capital fund, hedge fund, hedge fund of funds, real estate fund, or other investment vehicle that is not publicly traded.

"*Retirement system*" means the State Employees' Retirement System of Illinois, the Judges Retirement System of Illinois,

the General Assembly Retirement System, the State Universities Retirement System, and the Teachers' Retirement System of the State of Illinois.

"*Scrutinized business operations*" means *business operations* that have caused a *company* to become a *scrutinized company*.

"*Scrutinized company*" means the *company* has *business operations* that involve contracts with or provision of supplies or services to the Government of Iran, *companies* in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran, or *companies* involved in consortiums or projects commissioned by the Government of Iran and:

(1) more than 10% of the *company's* revenues produced in or assets located in Iran involve *oil-related activities* or *mineral-extraction activities*; less than 75% of the *company's* revenues produced in or assets located in Iran involve contracts with or provision of *oil-related* or *mineral-extraction* products or services to the Government of Iran or a project or consortium created exclusively by that government; and the *company* has failed to take substantial action; or

(2) the *company* has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12-month period, that directly or significantly contributes to the enhancement of Iran's ability to develop *petroleum resources* of Iran.

For more information, please contact:

Linsey Schoemehl
General Counsel/Chief Compliance Officer

Illinois State Board of Investment
180 N. LaSalle St., Suite 2015
Chicago, IL 60601
(312) 793-1486
linsey.schoemehl@illinois.gov

or visit the Board's website at:
www.isbi.illinois.gov